really are two systems of justice—one for the affluent, the other for the poor.

Evidence accumulated over decades leaves little doubt that such a double standard does exist. Regardless of the facts in each instance, the public perception of justice too often is that the rich man gets favors and goes free while the poor man gets the back of the hand at justice's bar and goes to jail.

What you do in your legal careers is for you to decide. But let me just remind you that a lot of promissory notes for fair and equal justice are falling due—and they must be met.

For its part, I believe that the Department of Justice is carrying out its responsibilities in an even-handed manner and without bias. I also am convinced that the Department is functioning and functioning well.

Its 48,000 employees—nearly all of them in the career service—are able men and women, dedicated to performing in the best traditions of the Department and beyond. Though the Department has been buffeted by events, no fatal wounds have been inflicted.

I hope to help improve that career service, and in particular to enhance the skills of our attorneys. One problem faced by the legal profession today is the standard of conduct by some attorneys when they appear in court. While not yet an epidemic, we do know that misbehavior and flagrant disrespect by attorneys occurs all too often and that judges sometimes have substantial difficulties in keeping order. Such disrespect by attorneys strikes at one of the foundations of our society itself. No such problems are caused by the Department's attorneys. But we do in some instances see a second problem—the level of advocacy skills displayed in the courtroom.

This is not a problem restricted to the Department. I have heard more than one prominent attorney in private practice say he considers lost the day he spent in court. The profession—and the law schools—are going to have to do a great deal more to improve the level of advocacy. In some areas, it is virtually a lost art.

Whatever else the Department of Justice does, it must remain responsive to the people. Proposals have been made recently that the Department be made an independent agency and that a permanent special prosecutor's office be created.

Both steps would be a mistake because they would place essential functions in some sort of limbo beyond the public's recall. Many commissions and administrative agencies set up in the past have as their common trademark a failure to meet the needs of the people.

The basic flaw in those proposals is that they suggest that new systems will correct the weaknesses of men. But defects in character and conscience can be corrected only by men themselves.

Every public official—like every private citizen—has to make a commitment to honor. If he fails, it is like a pebble tossed into a pond and a ripple results. Given enough ripples, they can turn into a tidal wave that engulfs us. The dreary spectacles that result range from Watergate to an attempt to fix a soap-box derby.

The rule of law is what stands between this country and tyranny. Would-be tyrants appear in many guises other than that of the storm trooper. Some in blue jeans are apostles of New Left terrorism. Others wear the hood of the Klansman. And there are some in Brooks Brothers suits.

As Attorney General, I am determined to do everything within my power to help improve our legal system, and to see that the laws are enforced uniformly and without bias.

Perhaps our system's essential element is that the accused be given a prompt and fair trial with the issues decided on the merits.

One thing the public should keep in mind as Watergate unfolds is that indictments are not the same as convictions, and that even when there are indictments there sometimes are no decisions on the merits because of hung juries.

The scandals during the Administration of President grant included the Whiskey Ring, whose activities were so widespread that two special counsels were appointed to help prosecute the cases.

While a number of convictions were obtained, the trial of a Presidential aide considered to be a key figure in the Ring resulted in an acquittal.

Fifty years later, Teapot Dome and other scandals erupted in the Administration of President Harding. Special prosecutors were again appointed, and Albert Fall, the Secretary of the Interior, was convicted of taking a bribe. Two prominent businessmen were also tried but were acquitted.

In other cases growing out of the Harding Administration, several more convictions were obtained. But in a landmark case, the trial of Attorney General Harry Daugherty ended in a hung jury and the indictment was dismissed.

By briefly recounting those earlier cases, I simply wish to again make the point that allegations are one thing and convictions are another. We have to accept the verdicts of justice—whether they are acquittals or convictions. Sometimes we also have to accept the terrible inconclusiveness of hung juries.

Those who equate allegations with guilt are deceiving themselves as are those who believe that any conviction will somehow automatically cleanse the Nation and put us back on the right track.

As we see from history, some measure of scandal has been cleaned up from time to time, only to have other scandals develop. In a sense, corruption is put into mothballs, to reassert itself in different forms in later periods. And in some areas it just seems to go on forever.

Historians are permitted harsher judgments than attorneys, but the benchmarks they provide should be instructive, not only in viewing the past but in trying to forge a better future.

Allan Nevins, in his biography of Hamilton Fish, describes the Grant era this way: "Washington became an irresistible lodestone for crooked men." Burl Noggle in his book, "Teapot Dome," quotes a member of the Senate as saying after the two businessmen were acquitted: "This is emphatic evidence that you can't convict a million dollars in the United States."

None of this makes pleasant reading, even 50 years later. But it is important—if not essential—to look at the unpalatable in order to avoid the unspeakable.

In another book that examined the Teapot Dome era, Harold Faulkner noted this comment of a reformer of the time: "Popular government can be no better than public opinion and the public conscience insist upon." What is astounding is not only the amount of corruption the Nation has tolerated but how quickly it seems to forget what happened and to allow the evil ways to reassert themselves.

Watergate presents the Nation with what are in effect two challenges.

The first, of course, is to see that all of the allegations are resolved through due process of law.

The second matter relates to what happens after Watergate is concluded—after each of the grand juries has issued its findings, after every trial jury has rendered its verdict, after every appeal has been decided.

Will Watergate have so exhausted the Nation that we will turn to other things in an attempt to forget about the tragedy that has befallen us?

Or will the abhorrence of it become so ingrained in the public spirit that we will insist that every person in any position of public trust be honest—and then maintain our vigilence to make certain?

I don't know the answers to those questions. Part of our national record shows that the public has been misled at times. But another part shows that we have made remarkable strides under decent and honorable public figures. The scales seem to tip in some sort of rhythm—from progress to scandal and back again.

It is incredible that we as a Nation have come to expect from some of our people—and also what we will tolerate from them.

The men who left their bare and bloody footprints in the snow of Valley Forge were not fighting to make this Nation secure for generations of predators seeking ungodly power and illicit fortunes.

Nor were the men who sacrificed at Gettysburg, the Marne, the Normandy beachhead, at Pork Chop Hill, or in Vietnam.

There is no way to predict what we as a Nation will do after Watergate is concluded, but we had best start doing some hard thinking about it now.

Special responsibilities rest upon attorneys as we try to fashion higher standards in both public and private life. And the challenge to those of you just entering the profession is especially acute.

Attorneys do a lot more than simply hang out a shingle and practice law—as important as that is. Lawyers are in public life in great numbers, both as elected and appointed officials.

You can make an impact on the quality of politics at the local and state levels, and all the way to the top. There will be many chances to make a contribution. Sometimes it will be by saying *no* to overtures you know or suspect are improper. And sometimes it will be by seizing opportunities that otherwise would lie fallow. All of this requires that you be constantly on the alert.

And that is really what every citizen has to do as well—be on the alert for misdeeds and be constantly aware of chances to enhance standards and conduct.

If we are tough-minded about this business of protecting our liberties, then perhaps we have a chance to prevent the Watergates of the future.

But if we ignore past lessons and thus shrug off future perils, the next Watergate may grow to dimensions that *would* prove to be unsurmountable.

Thank you.

PERSONAL PRIVACY

Mr. PERCY. Mr. President, on Tuesday morning, the Government Operations Committee, in conjunction with the Constitutional Rights Subcommittee will begin hearings on a subject of critical importance to every American—personal privacy.

The focus for our hearings is a bill introduced by the committee's distinguished chairman, Senator ERVIN, Senator MUSKIE, and myself to establish every American's right to keep personal information private and to safeguard that right with criminal and civil protections.

The bill is companion to one introduced in the House by Congressman BARRY GOLDWATER, JR., and Congressman EDWARD KOCH, whose efforts I commend. It is the result of a deepening public concern about privacy invasions. These invasions are fast becoming the rule—not the exception—in American life.

The burgeoning abuse of the right of individual privacy results partly from a greatly increased capability of even a

moderately endowed private or public organization to obtain, store, and use vast quantities of information about people. This phenomenal technical information-handling ability is abetted by the absence of regulation—except in the area of credit information. The result is a tremendously increased potential for damaging misuse of personal information—data that the person under scrutiny does not know is so readily available.

But even more important is the startling, ominous propensity of an increasingly powerful Government to use information in ways that hurt individuals directly and dramatically.

In Mendham, N.J., a young high school student, at the suggestion of her social studies teacher, wrote the Young Socialist Alliance in New York City asking for information. Several weeks later an FBI agent visited the school's principal and other people who knew Lori Paton, to make inquiries about her. The FBI made a "notation" in its files about Miss Paton's innocent inquiry, and its agents wrote a memorandum for FBI files recording their "investigation" of Miss Paton. The FBI claimed that its knowledge of the student's inquiry was obtained from surveillance on all incoming mail to the Young Socialist Alliance. Under the law, such a "mail watch" is legal if it does not delay the mail and if it is confined only to data drawn from the outside of the envelope. The critical issue here is the potential lifetime damage to the reputation and career of a completely innocent teenage girl about whom an FBI "notation" and "memorandum" will always exist, unless she succeeds in having it expunged from the files of the FBI.

This is an example drawn from the more normal course of events. The FBI must make hundreds, perhaps thousands of such "notations"—we regrettably cannot know—each week.

POLITICALIZATION OF THE IRS

What about malicious, politically motivated invasion of the right of privacy?

One of the most insidious abuses is attempted use of Internal Revenue Service data for political purposes.

Certain members of the present administration at the outset of its first term, made strong efforts to make the Internal Revenue Service "politically responsive."

A memorandum from White House aide, Tom Charles Huston, to the Assistant to the Commissioner of the IRS of August 14, 1970, refers to a July 1, 1969, White House request that IRS review the operations of "ideological organizations." Huston's August 14 memo asked IRS to report on its implementation of that request. The IRS response, signed by then IRS Commissioner Randolph Thrower and dated September 19, 1970, explains the operations of a so-called "special service group" that had been established in IRS to monitor the tax status of "organizations and individuals promoting extremist views and philosophies." Thrower's rationale for creation of that outfit was that it was necessary "to avoid allegation that extremist organizations ignore taxing statutes with impunity." Mr. Thrower's September 1970 report indicated that by then approximately 1,025 organizations and 4,300 individuals had already been examined by the IRS.

On September 21, Huston wrote to Assistant to the President, H. R. Haldeman indicating strong dissatisfaction with IRS action on the President's July 1969 request. He noted that—

> What we cannot do in a courtroom via criminal prosecutions to curtail the activities of some of these groups, IRS could do by administrative action.

Subsequently, an undated "IRS talking paper" was developed, outlining, from the perspective of the White House, the case against the IRS and its lack of political responsiveness. The document suggests that—

> Walters (who succeeded Thrower) must be made to know that discreet political actions and investigations on behalf of the Administration are a firm requirement and responsibility on his part.

Another suggestion of the "Talking paper" is that Counsel to the President, John Dean, should have assurance that Walters will get the job done.

On June 12, 1972, Charles Colson, Special Counsel to the President, wrote Dean asking for an IRS check on Harold J. Gibbons, a Teamsters Union vice president in St. Louis, whom Colson described as a "McGovernite, ardently anti-Nixon." This document would suggest that a connection between Dean and IRS had indeed been established and that IRS had become more politically sensitive in the manner outlined in the "IRS talking paper."

It is unclear whether there is evidence showing that the IRS did become politically responsive in a manner demanded by the White House. However, we do know that the issue was pressed.

The Joint Committee on Internal Revenue Taxation, which has direct oversight over the IRS, has filed an interim report on its investigation of the matter. This report shows that the subjects of special audits and investigations have not been treated more harshly than other taxpayers. But the joint committee was denied access to files of the Special Service Group. This renders the joint committee's study virtually useless. But, the fact that the politicizing of the IRS was attempted is beyond doubt.

The success of the effort to compromise this key agency's integrity is still in question. But the central question is not the attempt to politicize this agency—dreadful as that is. It is the doubt created in the minds of the American people—justifiable concern that information of an extremely personal nature—might be made available to other agencies, including the White House, for political purposes.

The bill I have introduced with Senator ERVIN to establish and protect personal privacy rights would remedy such abuses.

In the case of the Mendham High School student, the bill would provide her and her parents with ready access to the FBI files about her. She would have the right to examine the records and prove, if she can, the incorrectness of anything in her file. A correcting statement would be added to her file.

To eliminate politically motivated punishment by the Government, the bill would require the IRS to make notations of each instance in which a file was made available to another Government organization or outside person, not having regular access authority. A record of such accession or transfer must be kept.

The privacy right that S. 3418 establishes for individuals is comprehensive.

It establishes the right of a citizen to be informer whether he or she is the subject of private organization or Government files. If the bill passes, in 2 years each individual must be told that he or she is the subject of a data file. At any other time that an individual asks, he must be informed of the fact that he is a data subject.

The bill establishes the right to inspect all personal information contained in one's file, to learn the nature and sources of the data, and the identity of each recipient of personal data.

The bill establishes the right of every data subject to challenge, correct, or explain personal information, to demand an investigation of disputed information, to demand purging of inaccurate information and to include a 200-word personal correction of one's file.

The bill establishes the right to be informed and to give or withhold consent before personal data is given to anyone not having regular access authority. It establishes the right to be apprised of the intended use of information and the consequences of giving or not giving permission.

The bill establishes the right to have one's name removed upon request from any organization's mailing lists. The purpose of this section is to protect citizens from unwarranted harassment.

S. 3418 defines standards for the collection, use, and disclosure of personal information by Government and private organizations. These standards include the following:

Personal information collection is limited to what is necessary for a "proper" function of an organization;

Information should be collected from the individual himself whenever possible;

Categories of confidentiality must be established, with various levels of controlled access to information;

Data files must be policed for accuracy, completeness, and pertinence by the organization maintaining them;

The organization must maintain a list of users having regular access authority;

A complete record of the purposes of every access to any personal information in a system, including the identity of the special access user, must be kept;

Personal information must never be disclosed without specifying security requirements—for example, the level of confidentiality—and obtaining reasonable assurance that those requirements will be observed;

No personal information concerning political or religious beliefs or activities should be collected if it will be put into a Government-operated information system;

Income data should not be keyed to ZIP codes or postal districts; and

Federal agencies are prohibited from requiring disclosure of personal data or requesting voluntary disclosure unless authorized by law.

The bill establishes a five-member Federal Privacy Board that can make and enforce privacy rules for personal data files. The Board is required to establish an annual directory of every personal data system in the country; it is empowered to insure that standards are met and to assist organizations to comply with privacy safeguards. It can make site visits, compel production of documents, hold hearings on violations, issue cease-and-desist orders, delegate authority to States, and hold open hearings on exemptions. It is required to report annually to Congress.

S. 3418 is an excellent beginning for hearings and for the legislative process, and we in the Government Operations Committee will prepare this bill very carefully but expeditiously for floor action during this session.

PROBLEM AREAS

Mr. President, as you know, there are many other bills pending in this body regarding individual privacy. Without exception, they all raise problems in the minds of those of us who want to correct the present lack of controls over personal data.

Our bill is itself not free of flaws; yet, in the give-and-take of the committee room, it can be perfected. Let me cite some of the difficulties in the legislation.

The bill does not establish a mechanism to inform people as new files about them are created. The right to inspect and challenge personal files is almost meaningless if an individual does not know that a file even exists.

Perhaps we should provide that people be notified whenever they become a subject of a new data file.

Another problem is that no limits have been placed on rights to inspect and challenge personal files and to demand investigations of disputed information, and no protection against excessive demands is afforded to organizations keeping data files.

For example, it would be unfair to allow a person to inspect his file every week.

As I noted, the bill requires that information should be collected from the individual himself wherever possible. This is an important provision, since it attempts to assure that the information that is collected is accurate. However, there is a posibility for abuse. If personal information is actually collected directly from the subject in every case practicable, the resulting harrasment of individuals may undo the value of the rule by creating another type of violation of personal privacy.

The requirement in the bill that every access to personal data be accurately recorded is unprecedented and very likely would be staggering in scope. There seems to be the unwarranted assumption that thousands of different organizations will independently and correctly establish new standard operating procedures for handling personal information. The implicit administrative burden on government and private organizations is a matter for concern and further consideration. It may be that it is possible to make a number of distinctions that will lessen the burden on organizations, yet establish basic privacy guarantees. One possible distinction is to differentiate among the kind of organizations maintaining data. My legal staff is now working on that difficulty.

This bill provides for a Federal Privacy Board, which would be an independent agency in the executive branch consisting of five members designated by the President and confirmed by the Senate. There is a good deal of doubt about the validity of such an organization. It may well be that the simplest, and ultimately the best, solution is to establish rights which individuals may pursue through the judicial process, without creation of any new agency to police the new privacy guarantees. Or, the Privacy Board's functions could be lodged in an existing executive branch organization. Or, they could be lodged in one of the existing independent regulatory commissions, or in an agency of the legislative branch, such as the General Accounting Office. These are some of the concerns and some of the options we must explore during our hearings.

There are other legitimate concerns. One of them is the exemption provided in the bill for national security. Personal data systems directly related to the security of the United States would be free from the guarantees of the act. Any Federal agency could use that protection. This could permit Federal agencies to abuse that cloak of secrecy, thus diminishing the intentions of this legislation.

I cite a concrete example which indicates a need for a careful, tight definition of this national security exemption.

The U.S. Army has been used to spy on the political activities of American civilians in Western Europe. In August 1972, U.S. Army Military Intelligence personnel were assigned to monitor the political campaign activities of supporters of Senator GEORGE MCGOVERN in Western Europe. The reports filed by these agencies described the political activities of a group known as "Americans for McGOVERN," in Berlin. Army Intelligence reports described their organizational meetings, leaflet distributions, announcements and local publications, ties to the official Democratic party, and even the name of a man who received an autographed picture of Senator McGOVERN.

Military intelligence reports describe in detail the position of McGOVERN supporters on issues such as tax reform, welfare reform, Federal aid to schools, equal educational opportunities, racial and sexual discrimination, national health insurance, abortion, and abolition of the electoral college.

Military intelligence reports list the names of McGOVERN supporters, including information on their date and place of birth, marital status, passport number, occupation, and residence in Western Europe.

A chart was prepared by the U.S. Army for training manuals to be used in the training of intelligence personnel in Western Europe. One such chart shows the "link" betwen the Democratic Party in the United States and the Communist Party.

Army personnel also opened the mail of American civilians in Europe. One intelligence officer has said that the Army maintains a room approximately 15 feet by 20 feet containing file cabinets filled with photocopies of mail of American civilians. In these files is a letter from the library of the College of Charleston, S.C., to a publication in Western Europe run by American civilians. The Army has photographed an index card, photographed both sides of the envelope and photographed the contents of the letter. This opening of American civilian mail occurred in June of 1973, which date appears at the top of the Army document.

The Army has systematically opened the mail of the Lawyers Military Defense Committee, which is an affiliate of the American Civil Liberties Union, and a well-publicized suit against the Army in the U.S. District Court of the District of Columbia by the LMDC and other plaintiffs is contesting these privacy invasions conducted in the name of national defense.

Other Army activities include infiltration, photographing, and wiretaps.

With respect to photography, American students in Western Europe have been photographed pamphleteering for McGOVERN by military intelligence officials, and photographs have been obtained of political petitions showing the names of American civilians who have signed the same.

The Army has collected leaflets disseminated by American civilians which describe President Nixon's involvement in Watergate. On the back of each leaflet is a physical description of the person handing out the document.

All of these activities are undertaken in the name of national security. Such a grossly distorted use of this catchall pretex to so blatantly abuse the rights of American citizens is unwarranted, and Federal privacy law must be enacted to bring such abuses to an end. For this reason, I believe we must carefully narrow the national security exemption in this bill.

MEDICAL RECORDS ABUSE

In yet another area of personal data, almost unnoticed by the public, there is a growing assault upon the confidentiality of personal health and medical records. Information that we provide to our doctors in the intimacy of thir offices frequently finds its way to insurance companies, credit files, and employment records without our knowledge or approval. The improper procurement and use of medical information has had devastating effects upon unsuspecting individuals. Marriages have been ruined and reputations have been destroyed.

I would like to refer to several case histories provided by Dr. Elmer R. Gabrielli, chairman of the Joint Task Force Group on Ethical Health Data Centers at the State University of New York. These cases illustrate the need for Federal legislation to prevent flagrant breaches of confidentiality of medical information. In one recent example, a district attorney from a great American city

was hospitalized with a serious medical condition. On the day following his hospitalization, the local newspaper in his community printed his medical records word for word.

A second, even more serious example offered by Dr. Gabrielli, involved an employee of a large Defense contractor who sought reimbursement for psychiatric treatment from his company's health insurance plan. In the process of the claim, the insurance company passed on the diagnosis of the employee to his employer who in turn, passed on the diagnosis to the Defense Department. The Department initiated an investigation of the employee. Department of Defense investigators asked insinuating questions of the man's neighbors. The damage had been done.

In another case, a young woman attempted to commit suicide and subsequently received psychiatric treatment at a hospital. She was shocked to learn the details of her diagnosis, not from her doctor, but from her employer. Her employer had obtained the information from the company's health insurance agent, who had gained access to these supposedly confidential hospital records. The shock to this woman upon hearing her psychiatric diagnosis from her employer must have been intense. It calls to our attention once again the imperative need for legislation to establish limits on access to personal data. This can be done by empowering each individual with control over who can view his personal files. The strict confidentiality of personally sensitive medical and health records clearly requires more than good faith and integrity on the part of health care personnel. It deserves and requires legal protection.

SCHOOL RECORD ABUSES

I wish to refer to yet another sensitive area in which privacy rights have been ignored and for which legislative safeguards are needed: school records. Particularly in these days when our public schools are so much in need of Federal support, the informational requirements for evaluation of Federal school aid programs can and do pose serious threats to the privacy of personal student information.

In Illinois, the League of Women Voters conducted extensive surveys of personal information systems. A study of 71 schools revealed that many teachers were not impressed with the need to protect personal student information. They found further that there were no standards of confidentiality imposed on faculty and staff. Clearly, a privacy problem exists, since although no school administrator in the league's survey reported giving information on students to local police, several police departments listed schools as sources for personal student data.

A Los Angeles Times article of October 15, 1973, "Keeping Files on 'Predelinquents' Stirs Criticism," explains that for thousands of children judged to be predelinquents—youngsters whom school authorities believe have criminal tendencies—extensive, often permanent records are kept of their participation in federally funded community programs designed to reshape behavior. The files contain case histories, anecdotes about class behavior, reports on academic progress. The reports come from principals, teachers, parents, and the counselors—some professionals, some volunteers—who work with children in the program. Many of the programs, according to a California Joint Legislative Audit Committee looking into this area, are administered through the probation departments, which keep records after the pilot predelinquency programs end. The article said that this "creates the possibility that the records will be used for probation purposes." Because these programs are operated by law enforcement agencies, "voluntary" participation by schools is inherently coercive, there is the danger that participating children will be treated as criminals.

In California, some State officials say the program's procedures violate the children's civil rights. In the juvenile court system, the same children would get protection of due process, presumption of innocence and right to counsel. There are no such protections in the voluntary programs. For example, there are no provisions for destruction of individual records after the programs are terminated. On the other hand, most juvenile arrest records are sealed. State and Federal officials administering such programs justify the data storage by maintaining that a juvenile risks his privacy in return for the benefit derived from the program.

Walter Quinn, California's then acting deputy auditor general, defended the practice of keeping the files open, saying:

> We think it may be fairly stated that the benefits accruing to a juvenile by being in one of the voluntary programs is paid for by foregoing certain rights to which he is otherwise entitled.

This sort of blanket judgment, that would attempt to justify the disregard of students' privacy, is wholly inappropriate. The principal at Glenknoll Drive Elementary School in Yorba Linda, Calif., has stated that schoolteachers and administrators are about 75 percent right in thier designations of youths as predelinquent. Not only are such claims unverifiable and therefore suspect, but I wonder about the other estimated 25 percent of those youths who are falsely labeled predelinquent. It is they who will suffer without any reason from the stigma of such a label.

Dr. Carl Marburger, spokesman for the National Committee of Citizens in Education, characterized the absence of controls over personal school data as "generally an ungoverned and unsupervised system." He said:

> Anyone, even the school secretary, can put something into the record.

No one knows precisely what goes in and parents are often denied access to what is in the record.

The Illinois League of Women Voters survey indicated that most schools do not allow parents to challenge the accuracy and contents of their children's school records. In a majority of cases, parents are not even allowed to see their children's school files. Frequently they must be satisfied with interpretations and comments offered by school counselors. Yet those same files are accessible to police, university researchers and even other students working for the school administration.

This situation represents an intolerable abuse of the informational privacy rights of students and parents. Dr. Marburger's assessment is indeed frightening. As he says, the American school system maintains "the most vastly comprehensive data operation of any institution in the country. If you have a child in school, there is a dossier which sometimes contains inaccurate and potentially damaging information."

We cannot allow our children's privacy and our privacy as parents, to remain unprotected. We must not let indiscriminate notations in school files go unchallenged. We must not allow these files to be available to anyone other than authorized school personnel. In the rare instances in which others have a need for such information, parents, and children must be informed, and access should require either their consent or a court order. These protections can and will be afforded.

POTENTIAL CABLE TELEVISION ABUSES

Looking toward the future, the rapid advance of technology continues to give rise to new threats against individual privacy which must be anticipated. I offer just one example: Developments in the advancing field of cable television. Cable stations across this country are acquiring capabilities for broadcasting as many as 40 or 50 channels. Citizens will increasingly be offered a large variety of television programs that have been tailored to their individual tastes and preferences. As this possibility is being realized, cable television companies are experimenting with techniques for monitoring the viewing habits of individuals.

Simple tabulations of the number of people who watch particular programs, thus enabling cable television operators to make accurate programing decisions, could be accomplished without compromising the privacy of individual viewers. But cable systems in a number of cities, including Rossmoor's Leisure World Retirement Community in Mesa, Ariz., and experimental systems like TOCOM—total communications—in Irving, Tex., and Theta-Com in El Segundo, Calif., routinely and automatically monitor program choices and viewing habits of individual cable television subscribers. Viewers have no choice and cannot exercise any control over such monitoring.

There is now no national law that would forbid a cable station from telling anyone about the individual tastes of each and every one of its subscribers. A business, so notified, is free to bombard the unwitting cable subscriber with any number of sales pitches based on what is known about the viewers' personal entertainment tastes.

Thus, in the not too distant future, computer-aided records of the programs an individual watches can be analyzed for their commercial, political, or scientific research value. Preparation of viewer files would establish what is essentially a cultural taste data bank and thereby

create an opportunity for access and abuse of personal information that does not now exist.

The technological capacity to invade the privacy of our homes to acquire such information gives frightening substance to the fiction of Big Brother, from George Orwell's "1984." Perhaps such monitoring systems should never be established at all. But if they are established, we must insure that they operate only with the knowledge and explicit consent of the watched.

Certainly, this example is somewhat futuristic. However, it suggests that we must maintain a vilgilant attitude toward new and unregulated technologies if personal privacy is to be protected.

CONCLUSION

Mr. President, all of these examples that I have mentioned suggest the need for strong measures to support the right of privacy. The legislation which Mr. ERVIN, Mr. MUSKIE, and I have introduced provides a good base for final legislation. It will reach information systems and data files across the country and make secure a sacred personal liberty.

CONSTRUCTION INDUSTRY BARGAINING DANGERS

Mr. EAGLETON. Mr. President, the daily Labor Report recently published a very interesting article by the associate editor of BNA, Ben Rathbun, describing the views of the chairman of the Construction Industry Stabilization Committee as its work is being phased out. I hope it will be read carefully as it indicates the problems with attacking our economic problems, as the administration has done, without fully thinking through all of the ramifications of the proposed action.

I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"MASSIVE LEAPFROGGING" IN CONSTRUCTION NEGOTIATIONS REPORTED BY CISC CHAIRMAN

The bargaining spectre of the late 1960s, large-scale leap-frogging in construction from craft to craft and from city to city, has returned "with a vengeance" less than six weeks after the termination of statutory wage controls, according to D. Quinn Mills, the chairman of the expiring Construction Industry Stabilization Committee (CISC). The resultant "basic massive upward realignment of wage rates" can have a powerful effect on bargaining in construction and far beyond in U.S. industry, Mills indicated in a BNA interview.

He was critical of the Congress for not taking action that would have permitted "an orderly transition" from the 1971–1974 controls to uncontrolled bargaining in construction. The practical effect, he indicated, is to undo much of the stability imparted to construction bargaining in the Nixon Administration's most successful wage stabilization program.

Mills indicated that the Administration had wanted to continue controls for the current bargaining year in construction because it feared the kind of wage explosion that is now occurring. He said that some influential opponents of a transition period had made a major miscue in their estimate of the force and follow-through of a construction wage "breakout" this year.

WAGE DISTORTIONS, INC.

He summarized this "mistaken" view in these terms: "Well, let it [the wage pressures in construction] explode a little. It's a bubble that will pass and we'll take it out of subsequent settlements." Mills added that those who find no serious inflationary implications in the current construction settlement pattern do *not* understand the pervasive impact of leap-frogging settlements in construction. He said "What we're going to be seeing this year is a basic massive upward realignment in wage rates."

He added this note: "What is happening this year is going to reverberate through the next two years at least. It means that we cannot get back to any kind of stability in construction bargaining for at least another two years. As bad as this year is, the next two years are going to be worse. And if somebody doesn't do something about it this year, stability won't be possible for another three years. Construction is on that kind of a cycle." He said that the problem will become more aggravated with inattention. As he noted, "every year we wait . . ." these distortions will escalate by "feeding upon themselves."

Mills and John T. Dunlop, the chairman of the Cost of Living Council, have pointed to the Administration's failure to persuade Congress to take affirmative action to provide a less precipitate and more orderly break from the controls system. As Dunlop put it: "I was trying to keep May 1 from becoming a day when a gun was fired and the Administration said: You're on your own." Instead the country now has "a race" for price and wage increases, as Dunlop and Mills see it, that is akin to "a speculative surge."

One reason this is happening, according to Mills, is that people don't believe Congress can keep from taking some kind of action on inflation for too many months. Meanwhile, aggressive parties are going "way beyond any reasonable adjustment" to the newest summit of living costs.

According to Mills' estimate, the inaction by the Congress could add three to four percentage points this year alone to construction settlements. He said that a level of settlements in the 8 to 10 percent range would have been quite possible if the legislators had imposed restraint upon the private parties for the immediate post-May 1 months.

He added that the transition arrangements would have assured that no major agreements went above 10 percent. But now, the level of settlements will be around 12 to 13 percent with some increases going as high as the 33 to 40 percent range on top-job rates. Mills added: "There was nothing inevitable about this move above the 8 to 10 percent level; nothing in the market situation required it."

REGION-BY-REGION REVIEW

Using recent reports on settlements around the nation, Mills offered a quick cross-country assay of the significant agreements on the West Coast, in the Midwest and in New England:

"In some places, this thing is totally out of hand and it's getting out of hand in other places. You take the UA [Plumbers Union] on the West Coast. At San Jose, Calif., the one-year increase was $1.83 an hour or 15.7 percent based on the old rate of $11.59. For UA Local 38 in San Francisco, it was $2.37, or 19.3 percent, based on a current rate of $12.28. At San Mateo, it was $2.53, or 22.2 percent, from $11.38."

Although it is a small community, an important agreement, according to Mills, because of its leap-frogging implications, was the UA settlement at Salem, Ore. that provided, including welder and other premiums, $3.60 "in one bite, or roughly 40 percent. There's a big nuclear powerhouse construction job that was responsible." The Salem settlement is going to have its effects up and down the Coast and beyond. However, the strike situation on the Coast "is not bad." The problem is that "the settlements are enormous with a lot of strikes yet to come this summer."

In the Midwest, a considerable number of the earlier settlements were in the 8 to 10 percent range. But now there are "strikes in many Midwestern cities and a situation that is ready to get out of hand."

Likewise, in New England, the range of settlements had been in the 8 to 10 percent area. But currently, as in Salem, Ore., the UA has come up with a big one-year increase at New Bedford, Mass. where a nuclear power construction project is causing rates to be bid up. The UA settlement at New Bedford is $3.25, or 13 percent, for the first year. "That and the Salem settlement are the kind of settlements" that will spawn jumbo-type leap-frogging this year and next.

Mills emphasized that some of these very large settlements are going to carry through the industry bargaining structure. "In the process", he said, "the structure of wage rates will be terribly distorted." He noted that the CISC had put a stop to this major leap-frogging. He added: "We could have done it again this year. We could have—and we were—allowing the average [settlement] to rise to compensate for inflation" in the eight to 10 percent area.

At this stage, according to Mills, there probably is little effective action Congress might take. As he put it: "Who cares what they do now? The horse is out of the barn." He added: "If the Congress starts talking controls now, it's going to make the situation even worse." Such talk would only spur the local construction negotiators to higher increases. "If Congress wants to do anything, they've got to stop talking and start acting," Mills said.

FUTURE OF STRUCTURAL CHANGE

However, Mills believes that most of the structural changes in bargaining achieved during the CISC period "will stick" despite the cessation of the Committee's activities. This means that the increased number of geographically-broader bargaining units, the liberalized work rules, and the differential rates for specialized sectors of the industry like homebuilding will continue for the most part. What will be lost, in his estimation, is the considerable degree of wage stability achieved since March 1971, and some of the growing capacity to curb disputes from flaring into strikes. As Mills put it: "There will be many, many more strikes."

Within the Administration and on Capitol Hill, there had been some expectation that the contractors and the unions would establish some kind of dispute settlement machinery to deal with the mushrooming strike threats of the post-controls period. On May 14, Dunlop told Senator Humphrey's Consumer Economics Subcommittee of the Joint Economic Committee that he was "hopeful" that some kind of "voluntary means, not of controls, but some voluntary means . . . of dispute settlement" would be established by the industry's unions and contractors. The prime purpose would be to reduce "the volume of work stoppages." However, an Administrative spokesman indicated June 10 that "nothing" has been accomplished by the parties to date.

In his comments, Mills avoided any game of "who-is-the-villian-of-the-piece." He indicated that the Democratic leadership and the "Administration's supporters" in Congress appeared to have ignored the warnings about the dangers ahead in construction. But he also noted his awareness that congressional leaders reported getting only faint—and sometimes contradictory—signals from

the White House on Dunlop's stabilization proposals, including the one for the continuation of construction controls.

CISC PHASE-OUT PLAN

Despite the uncertainty, CISC had anticipated the Congress would go along with some extension of its activities. Recognizing the dangers that an abrupt unleashing would make possible, a number of influential union and contractor officials involved with CISC quietly had indicated their willingness to go along with a transition toward uncontrolled bargaining in 1975. 'A lot of people in industry and the unions were prepared to participate in good spirit in that transitional arrangement,' Mills commented.

He said that the CISC plan, assuming the authority to continue operations, had been twofold: First, to permit a reasonable increase in settlement levels "consistent broadly with what's happening in the economy,' and second, to prepare for a total phase-out of its operations. To this end, CISC planned to move toward "self-administration," toward turning over more and more matters to the Craft Boards, and toward a reduction in the number of agreements formally reviewed by the Committee.

Mills noted his disappointment that more structural change in bargaining has not been achieved under the 1971–1974 controls. Although there has been progress, he said that both he and Dunlop, his predecessor as CISC chairman, regretted that the rest of the unions and contractors in the industry "had not been able to build on the strong minority sentiment" for significant change in bargaining practices and structures. Despite some improvement, "the current structure in construction is not good enough," Mills declared.

He added: "It's a serious question whether the country can tolerate or survive the current collective bargaining system in construction." He said this structure is "not consistent at all with the national needs for industrial and housing construction." He continued: "I don't see how the country can deal with its problems of general inflation, of increasing capacity, of improving productivity with this particular structure in construction."

The CISC chairman declared that "there is a substantial body" of local union opinion that favors changes that would lead to a less balkanized bargaining structure. But he added: "I'm convinced that it does not constitute a majority sentiment. In some areas the opposite sentiments are very strong." He particularly mentioned California as a major problem state for those interested in improving the bargaining system in construction.

On what needs to be done to make the construction bargaining system more "tolerable," Mills said: "It would have to be one in which there is much more considerable involvement of national associations and national unions in local bargaining. There also would have to be much more coordination of the activities of the various employer associations and local unions."

WRITING ON A HEARING-ROOM WALL

Meanwhile, the early reports to CISC indicate that Dunlop foreshadowed what might be coming in his May 14 testimony before the Humphrey subcommittee. In response to a question about construction, he said somewhat ruefully: "With the end of controls . . . once you start with one craft getting a little more than somebody else . . . you begin a leap-frogging process that I know only too well."

With the formal expiration of both the CLC and the CISC at midnight June 30, Dunlop will return to the Harvard University faculty. He also will be working with Kenneth Rush, the new White House Counsellor for Economic Policy, on what Rush described as "various special projects . . . one of them, of course . . . in the wage field." Rush said Dunlop, whom he praised as "a very dedicated, patriotic, and extraordinary able citizen," would be spending two or three days a week on the White House projects.

A part-time CISC chairman, Mills will continue in his current portfolio as Associate Professor of Management at MIT's Sloan School of Management. In addition to his CISC job, he has been assisting Dunlop at the CLC.

The tripartite CISC was established by White House executive order in March 1971. It was the first wage stabilization agency of the 1971–1974 period. Its organization followed the 1965–71 period when construction settlements moved in a rocketlike trajectory that took them to the range of 17–20 percent a year. One of the few Administration wage or price stabilizing programs with a broadly-praised record, the CISC also became one of the longest running stabilization agencies in U.S. history.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that morning business be closed for the present.

The PRESIDING OFFICER. Without objection, morning business is concluded.

COMMITTEE ON DISARMAMENT—APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. NUNN). The Chair, on behalf of the Vice President, appoints the following Senators to attend the Conference of Committee on Disarmament, to be held in Geneva, Switzerland, beginning on July 2, 1974: the Senator from Rhode Island (Mr. PASTORE), the Senator from Maine (Mr. MUSKIE), and the Senator from Delaware (Mr. ROTH).

ORDER OF BUSINESS

The PRESIDING OFFICER. The Chair would state that the Senator from West Virginia (Mr. ROBERT C. BYRD) has 34 minutes of accumulated time remaining.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum, with the time to be charged against the time of the Senator from West Virginia (Mr. ROBERT C. BYRD).

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The third assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

OBSERVANCE OF A PERIOD TO HONOR AMERICA

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House of Representatives on House Concurrent Resolution 537.

The PRESIDING OFFICER laid before the Senate House Concurrence Resolution 537, which was read, as follows:

H. CON. RES. 537

Resolved by the House of Representatives (the Senate concurring), That Congress declares the twenty-one days from Flag Day, June 14, 1974, to Independence Day, July 4, 1974, as a period to honor America, and let there be public gatherings and activities at which the people of the United States can celebrate and honor their country in appropriate manner.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the action previously taken by the Senate on Senate Concurrent Resolution 90, which is a companion measure, be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the pending concurrent resolution.

The concurrent resolution (House Concurrent Resolution 537) was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senate Concurrent Resolution 90 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time.

I ask unanimous consent that there be a further period for the transaction of routine morning business, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

SOLAR HEATING AND COOLING DEMONSTRATION ACT OF 1974

Mr. MOSS. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 11864.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 11864) to pro-